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April 23, 1997 LB 702, 724

SENATOR BEUTLER: If there are no lights or questions, I would waive closing.

SENATOR WESELY: Okay. The question before the house then is the advancement of LB 702. Those in favor indicate by voting aye, those opposed nay. Have you all voted? Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 702.

SENATOR WESELY: LB 702 advances. Next item, Mr. Clerk.

CLERK: Mr. President, Legislative Bill 724 by Senator Wickersham. (Read title.) It was introduced on January 22 of this year, reported to Retirement Committee for public hearing, advanced to General File. There are committee amendments.

SENATOR WESELY: Thank you. The Chair recognizes Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Mr. President. Briefly about the bill, the bill is one that provides an opportunity for individuals who are near the end of their service as teachers in the state retirement system, this does not affect OPS, to purchase credit and to retire. They can purchase up to five years of credit and receive credit for the time that they're buying back. The buyback is at an actuarially neutral cost. The payment for the buyback can be made either by the employer or by the employee or by a combination of them. It is simply an opportunity to do what is increasingly common and sensible in retirement systems, and that is to provide an option for those who are near the end of their service, if they wish, to simply purchase additional service and retire.

SENATOR WESELY: Thank you, Senator Wickersham. We now go to the committee amendments. Do you wish to open on those?

SENATOR WICKERSHAM: The committee amendments make a couple of small adjustments to the bill. One, there was a concern raised about the period over which payments could be made. That has been changed due to IRS concerns. All of the payments for the buyback would have to be made before the individual retired.